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1 culinary water for their lawns, what will that do for our excess culinary water? Mr. Stapley distributed his notes on
2 the Culinary Water Master Plan and explained the water sources. His equations include adding 1986 new homes in
3 west fields and 712 new homes east of 400 West that will not be served with pressurized irrigation. He figured a
4 gallon per minute per household on a quarter acre lot. Last year the 900 South Well was down for a few weeks and it
5 was very hot. We were losing 2 million gallons/day that we couldn't replace. We were slowly going down. Mr.
6 Stapley thinks the City needs a new well as soon as possible. Putting a new well in takes about 2 years to get up and
7 going.

8
9 Another spreadsheet was handed out, showing the five year capital plan; the projects we will be working on in the
10 next five years and their costs/funding. Mr. Stapley highlighted two projects; one is the Bartholomew Tank
11 Replacement, which needs to be replaced in the next three years, and a new 400 South Well. We had a structural
12 analysis done a few years ago that said the tank needed to be replaced within five years. We started saving money
13 for that two years ago. Mr. Stapley brought up the City map on the screen to show where the tank is up left fork
14 canyon. We have a new well site planned in the northeast corner of the city compound at 909 E 400 S. Mr. Stapley
15 reviewed the Total Expenditures on the spreadsheet for upcoming capital improvement projects. He explained what
16 water rate increases would need to be implemented to cover those costs. Mr. Stapley referred back to his handout
17 with handwritten notes and figures on it. We have \$1.3 million every year to use toward capital projects. Mr. Hatch
18 added that \$1.3 million is still just an estimate, since demand fluctuates depending on the weather. Mr. Stapley stated
19 that if we have a wet year and people don't water their lawns, our revenues would go down. The rate will vary from
20 year to year, depending on our revenues and what projects need to be funded. Mr. Hotchkiss asked how secondary
21 water will affect the water revenue. It's a two edge sword. Our culinary water use will decrease as secondary water
22 starts up and we can move the capital projects back as needed.

23
24 Mr. Stapley explained that there are some things we can do to increase water sources. Burt springs is losing a lot of
25 water through the collection zone and down the ditch – we are looking at developing that. We have other sources we
26 will try to get water from; we're not going to put all our eggs in the "rate basket". We'll probably go forward with a
27 new well design, since it takes about a year to plan and get state permits. We will look at starting by increasing base
28 rates this year. But we could see how it goes year to year.

29
30 Mr. Stapley referenced the July 2014 Billing handout, showing where Springville is with base rates compared to
31 other cities. Mr. Hatch stated that the tiered rate has been in place for about 10 years. It was designed to help people
32 conserve. That \$10.00 base rate is very low after 10 years. Mr. Stapley explained that 96% of users are in the first
33 three tiers. Most users use less than 100,000 gallons. But it may be time to adjust our tiers. Mr. Hatch stated that
34 our water consumption has improved; it's lower than it used to be. Mr. Stapley explained that we need more revenue
35 or need to develop more efficiency in our system.

36
37 Mr. Hotchkiss asked how the \$22 million projected deficit, for replacing pipes 50 years and older, factors in. Mr.
38 Stapley stated that the \$22 million will show up in year 6 of the 5-year plan. He has directed his division heads to
39 look at 20 years out for projects, even though administration is only asking for 5 years. The numbers don't have
40 growth revenue factored in; they are in today's dollars. But they give us a good planning tool for where we are
41 going. Mr. Stapley reiterated that the tank and well have to happen. Mr. Beck stated that it is assuming we have a
42 constant supply of water. Mr. Stapley agreed. We could have problems if we have more drought years. We had our
43 driest winter and driest February on record since 1847.

44
45 Mr. Hotchkiss asked if the culinary water users will be subsidizing secondary water users again once the PI comes on
46 line. Mr. Stapley explained that Springville City is very different from other communities, in that we received a \$9
47 million grant for secondary water and our rate structure will not include that. The mayor wants the secondary water
48 rates to be at or below the culinary rates, which will be very hard. The culinary water users might have to pay into
49 the secondary water system in the beginning to jump start it, until we get a rate structure in place. We're starting a
50 new business with PI, and we need "seed money". Mr. Hotchkiss asked if the loss in culinary water revenue, due to
51 the onset of PI, will have to be made up with increased culinary water rates. Mr. Stapley replied that it could. He
52 explained that it's all part of running a city and everyone in the city is trying to get a system started that will allow all
53 of us to not have to go to surface treatment of culinary water. Cl. Child also stated that without people on secondary
54 water, we may have a shortage of water. The whole idea of secondary water is to save water and not have to treat
55 that water. Mr. Hotchkiss thinks this situation is very similar to Plat "A" irrigation. Mr. Stapley talked about things
56 that the City funds that not everybody uses, such as the library. Cl. Child added that it is different, though, in that not
57 everyone in the City has the option for secondary water or Plat "A" irrigation water. Some are forced to use culinary

1 water. Mr. Stapley brought up the issue of modifying city code so that secondary water is not an option for the West
2 Fields. They will have to hook up to it. They won't have a choice, just like residents are required to hook up to the
3 sewer if it is available.
4

5 Mr. Hotchkiss stated that the difference is that PI is pressurized and we won't have the same issues that we have with
6 maintenance in Plat "A". We're telling the West Fields user that he must use secondary water and we're telling Plat
7 "A" users we're considering ending surface irrigation. Mr. Stapley replied that he has reported back to city council
8 members, after the Plat "A" irrigation meeting in February, that staff's recommendation and probably the water
9 board's recommendation will be to have a blend of raising rates in Plat "A" to some extent and having the City
10 subside to some extent, to keep the trees and other things which are a benefit to the City.
11

12 Mr. Stapley added that we need to give a recommendation soon to City Council about these budget issues, as we are
13 starting a new budget year. Unfortunately, there isn't enough time in this meeting. But it needs to be done before the
14 next water board meeting. We also need to address the culinary water base rate and the tiered rates.
15

16 Mr. Beck asked about storage and the 5-year plan. Mr. Stapley stated we don't need more storage. We have plans to
17 build more tanks in the future, and what is in the Master Plan will suffice. We're looking at two more tanks near the
18 Spring Creek zone and another new well near 200 North.
19

20 Mr. Hatch asked about how secondary water is going to be priced. Mr. Stapley said we need to look at that. We're
21 deciding whether or not to meter it. There are some cities that didn't meter PI initially that have gone back and put in
22 meters because residents were wasting water. Those residents that have access to PI would have to use it. Rod
23 Andrew, who lives in Spanish Fork, said he had to certify he was hooked up to PI.
24

25 Mr. Hotchkiss reviewed the issues. Do we need an additional meeting this month to come up with recommendations
26 to City Council? Mr. Stapley would like to have another meeting before April. March 31st will work for most board
27 members at 6:30 am. If there are any questions on the handouts, please call or email Mr. Stapley so discussions can
28 begin.
29

30 Mr. Stapley talked about the Plat "A" letter that was sent out after the meeting in February. The board still needs to
31 consider where we want that system to go. We did have a rate increase that was budgeted last year, but we have gone
32 forward with it without any changes. We still need to talk about more increases for this current budget year.
33

34 Mr. Hatch moved to adjourn. Mr. Beck seconded. All were in favor.
35

36 ***Adjourn*** – This meeting adjourned at 7:30 a.m.
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